

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period of morning business until 5 p.m., with Senators permitted to speak therein up to 10 minutes each.

Mr. REID. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WYDEN. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. WYDEN. I ask to speak in morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TAX REFORM

Mr. WYDEN. Mr. President, I come to the floor today to talk about creating more good-paying jobs in America and how tax reform can play a key role in job creation if it is done right. As we all know, no Member of Congress has a piece of machinery on their desk that is a job creation device. We cannot just start something like this, press a button, and then after it whirs around a bunch of times it creates a lot of new jobs. New jobs do not just come shooting out that way. Nobody has a contraption like that in the Senate, and the reality is the President does not have one nor does anybody else in America.

But there are policies that are relevant to how we create more good-paying jobs, and those involve first looking at what has worked in the past and, second, what hard, objective data is relevant to the future. Nobody can know the ideal, sure-fire way to create jobs, but we can document what has worked in the past.

In the case of comprehensive tax reform, what we know is that after the 1986 Tax Reform Act where Democrats and Republicans cleaned out scores of tax preferences to hold down marginal rates and keep progressivity, our country created 6.3 million new jobs in those 2 years after that tax reform was enacted. I am not going to say on the floor of the Senate that each and every one of those jobs was the result of tax reform, but certainly independent authorities point to that tax reform effort as a key factor in creating those jobs. With at least 14 million Americans out of work in our country right now, it would be legislative malpractice for Congress to ignore the

facts that document the results of the last tax reform effort in job creation.

When we look at the possibilities should we not pay special attention to what has worked in the past? The reality is, as the Presiding Officer knows, our country has tried just about every other tool in the economic toolbox. We have seen the Recovery Act. We have seen that the Fed is essentially all in with its program of quantitative easing. We have had a whole host of other initiatives in the housing area and in the automobile area and a whole host of other areas. The fact is, the one tool in the economic toolshed that nobody has picked up is fundamental tax reform. It is my view that it is time for the Congress, working with the President, to pick up on a proven model that a host of progressive Democrats and conservative Republicans, led by a conservative Republican President, deployed 25 years ago to spur economic growth and create millions of new jobs, which I think we all understand our people in our economy need desperately.

Given that success, it is no wonder that Democrats and Republicans, as well as economists and think-tanks and bipartisan commissions, are again calling for the Congress to take up the cause of tax reform. We are very hopeful the bipartisan Joint Committee on Deficit Reduction can also bring together Democrats and Republicans as part of their work to lay out the strategy for moving ahead on tax reform.

There is no shortage of good reasons for Congress to look at this particular approach to job creation. It is bipartisan, it has been proven before, and certainly the basic principles—simplifying the Tax Code, cleaning out the clutter, and holding down rates across the board—make just as much sense today as they did a quarter century ago.

It has been argued that since the last change in our tax law there have been close to 15,000 tax changes—one for almost every working day year in and year out. So what we have on our hands now is a dysfunctional antigrowth mess. That is why I think it is particularly important that we look at moving now rather than waiting until another election or taking a detour to reform only the corporate Tax Code while, for example, leaving small businesses and working families stuck with the same broken Tax Code they have today.

Let me point out to those who say we cannot do tax reform in a divisive climate, a divided Congress and White House, as we move into an election, the fact is fundamental tax reform was passed on the eve of an election a quarter century ago—passed on the eve of an election. I say that because I know one of the fundamental architects of that tax reform, Senator Packwood, whose seat I now hold in the Senate, was not available for the bill signing because he had a community event back home.

The fact is, there is an opportunity now to move ahead with comprehensive tax reform. We have good people who have expertise in tax law on the supercommittee—Chairman BAUCUS, Senator KERRY, Congressman CAMP, Senator PORTMAN—Democrats and Republicans who have been involved in budget and tax issues for years and years with great expertise on these issues.

I want to take just a minute this afternoon to discuss some eye-opening new information on an issue that I know is being debated in the Congress, and my sense is the supercommittee is looking at it as well; that is, the question of splitting tax reform into separate corporate and individual pieces.

Last week, the Joint Committee on Taxation issued an important report that all Members ought to pay close attention to as Congress looks at tax reform as part of either a potential debt deal or other legislation. The reason I want to discuss it this afternoon is we all understand as part of the legislative process just about everything is negotiable, but there is one thing that is not negotiable—that is the accuracy of the numbers.

When the official number cruncher for taxes says they cannot make the numbers add up, Members of the Senate and the Congress have to pay attention. The new report by the Joint Committee on Taxation says—and, of course, they are the official scorekeeper for tax policy—the Congress essentially has a choice to make. We can either provide all American companies significantly lower tax rates or we can allow multinational companies to continue to avoid paying taxes on their overseas income. But the Joint Committee on Taxation says it is really not possible to do both. There is not enough money in the corporate Tax Code to do both without further increasing the budget deficit.

The Joint Committee was asked to provide its estimate of the lowest corporate rate that could be achieved by eliminating corporate tax expenditures, the various credits, deductions, and exemptions that lower the actual amount of taxes our businesses pay. In response, the joint committee estimated that 28 percent is the lowest possible corporate rate that could be achieved from eliminating corporate tax breaks and still not increase the deficit—in effect, be revenue neutral.

Mr. President, 28 percent is certainly lower than the current top rate, but it is higher than what—certainly many in the business community and the Congress have argued—is needed for U.S. companies to be competitive in the global economy. Most in the business community want to lower the top rate to 25 percent or even lower. The joint committee has determined that 28 percent is the lowest the corporate rate can be reduced to without adding to the deficit.

This new report by the Joint Committee on Taxation ought to be a real wake-up call in Washington, DC. For